

USDA Foreign Agricultural Service

GAIN Report

Global Agricultural Information Network

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Mexico

Post: Mexico

Mexico Puts State-Owned Sugar Mills Up for Sale

Report Categories:

Sugar

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Report Highlights:

On March 26, 2015, the Mexican Service of Administration and Disposition of Assets (SAE) published an announcement in the *Diario Oficial* (Federal Register) containing the public tender for the sale of nine sugar mills. These mills have been under the administration of the Fund of Expropriated Sugar Sector Businesses (FEESA), a fund created to administer the government expropriated sugar mills, since 2001.

General Information:

Introduction: This report summarizes an announcement by the Service of Administration and Disposition of Assets (SAE) published in Mexico’s “*Diario Oficial*” (Federal Register) on March 26, 2015, containing the public tenders for the sale of nine sugar mills.

Disclaimer: This summary is based on a *cursory* review of the subject announcement and therefore should not, under any circumstances, be viewed as a definitive reading of the regulation in question, or of its implications for U.S. agricultural export trade interests. In the event of a discrepancy or discrepancies between this summary and the complete regulation or announcement as published in Spanish, the latter shall prevail.

Title: [Announcement of the public](#) tender LPEM No.01/15 for the sale of portfolios formed by industrial units that work as sugar mills.

Executive Summary:

On March 26, 2015, the Service of Administration and Disposition of Assets (SAE) announced the public tender of nine sugar mills that were administered by FEESA, a fund created to administrate the government expropriated sugar mills. The mills are: El Potrero, El Modelo, Providencia, San Cristobal, San Miguelito from the State of Veracruz, Casasano and Emiliano Zapata from the State of Morelos, Plan de San Luis in the State of San Luis Potosi, and finally Atencingo in the State of Puebla.

The packages or portfolios for sale are offered as follows:

PORTFOLIO	MILLS	ADDRESS	VALUES	Percentage of the national domestic market *
1	Atencingo	Domicilio Conocido s/n, carretera Izúcar de Matamoros, Atencingo, Chietla, Puebla, C.P. 74583	Price without V.A.T. \$1,753,589,373.17 pesos	8.3%
	Impulsora de la Cuenca del Papaloapan, conocido como San Cristóbal	Nicolás Bravo #5, Centro, Carlos A. Carrillo, Veracruz, C.P. 95330	V.A.T.: \$203,410,626.83 pesos. BASE PRICE SALE: \$1,957,000,000.00 pesos	
2	El Potrero	Calle Principal s/n, Centro, Villa General Miguel Alemán, Atoyac, Veracruz, C.P. 94965	Price without V.A.T. \$1,730,535,601.26 pesos	4.1%
	San Miguelito	Km. 2 Carretera Córdoba – Amatlán, Buena Vista, Córdoba, Veracruz, C.P. 94680	V.A.T.: \$221,464,398.74 pesos BASE PRICE SALE: \$1,952,000,000.00 pesos	

PORTFOLIO	MILLS	ADDRESS	VALUES	Percentage of the national domestic market *
3	Casasano-La Abeja	Avenida Benito Juárez #113, Casasano, Cuautla, Morelos, C.P. 62749	Price without V.A.T.: \$1,063,111,647.75 pesos	4.1%
	Emiliano Zapata	Avenida Lázaro Cárdenas #51, Lázaro Cárdenas, Zacatepec de Hidalgo, Morelos, C.P. 62780	V.A.T.: \$136,888,352.25 pesos BASE PRICE SALE: \$1,200,000,000.00 pesos	
4	El Modelo	Salvador Esquer #9, El Modelo, Ciudad Cardel, La Antigua, Veracruz, C.P. 91685	Price without V.A.T.: \$1,371,311,942.27 pesos	3.4%
	La Providencia	Calle 3 s/n, entre avenidas Libertadores e Igualdad, Centro, Providencia, Cuichapa, Veracruz, C.P. 94920	V.A.T.: \$195,688,057.73 pesos BASE PRICE SALE: \$1,567,000,000.00 pesos	
5	Plan de San Luis	Domicilio Conocido s/n, Ejido La Hincada, Ciudad Valles, San Luis Potosí, C.P. 79236	Price without V.A.T.: \$1,304,364,703.24 pesos V.A.T.: \$167,635,296.76 pesos BASE PRICE SALE: \$1,472,000,000.00 pesos	2.3%

Additional information on the mills such as location, production, general information of the sugar sector in Mexico, and how to participate in the tender, can be found at the SAE's webpage:

<http://ingenios.sae.gob.mx/paginas/default.aspx>

The announcement also contains a detailed calendar of events and indicates that on June 12, 2015, the opening tenders and determinations will take place after which, selected buyers will have until July 24, 2015 to pay the agreed upon price and the physical delivery of the mills will be carried out immediately. The payment terms for the sale, including required deposits, must be completed from March 28 to April 17, 2015.

Participants of the tender can be a corporation or an individual, Mexican or foreign, State or municipal governments or their agencies, provided the legal framework that governs them expressly permits it.

Important Dates

1. Publication Date: March 26, 2015.

2. Opening tenders and determinations: June 12, 2015

For More Information

FAS/Mexico Web Site: We are available at <http://www.mexico-usda.com.mx> or visit the FAS headquarters' home page at www.fas.usda.gov for a complete selection of FAS worldwide agricultural reporting.

Useful Mexican Web Sites: Mexico's equivalent of the U.S. Department of Agriculture (SAGARPA) can be found at www.sagarpa.gob.mx, the equivalent of the U.S. Department of Commerce (SE) can be found at www.economia.gob.mx, and the equivalent of the U.S. Food and Drug Administration (SALUD) can be found at www.salud.gob.mx. These web sites are mentioned for the reader's convenience but USDA does NOT in any way endorse, guarantee the accuracy of, or necessarily concur with, the information contained on the mentioned sites.